



珍惜土地 用心铸造

First Sponsor Group Limited

Investor Presentation

22 July 2014

The initial public offering of the Company's shares was sponsored by DBS Bank Ltd., who assumes no responsibility for the contents of this presentation.

Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

We had on 10 July 2014 issued a prospectus which was lodged for registration by the Monetary Authority of Singapore (the “Prospectus”). The results contained in this document should be reviewed in conjunction with the Prospectus.

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Section 1

Key Message

Key Message

1. **Adjusted profit before tax for 2Q 2014 of S\$3.7m is 80.7% higher than that in 2Q 2013 mainly due to the increase in profit contribution from the property financing business.**
2. **Expect to recognise property development revenue from our sales in the Millennium Waterfront project starting from 4Q 2014 in various phases. The value of sales* of the 2,235 residential units sold as at 30 June 2014 amounts to RMB1,164m, of which 87.5% of the sales value has been collected in cash.**
3. **Work towards closing the sale of the Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory under the Wenjiang Relinquishment Agreement in 2H 2014.**
4. **Kick-start the development work of East River Plot One (part of the Star of East River Project) in Dongguan.**
5. **Continue to seek opportunities to grow the property financing loan portfolio.**

Section 2

Financial Highlights

Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights						
In S\$'000	2Q 2014	2Q 2013	Changes %	1H 2014	1H 2013	Changes %
Revenue	6,608	51,526	(87.2)	14,028	61,385	(77.1)
Gross Profit	5,151	7,587	(32.1)	9,237	11,065	(16.5)
PBT	359	23,063	(98.4)	(8,451)	22,477	(137.6)
PAT	(3,247)	19,823	(116.4)	(12,422)	19,705	(163.0)
Basic EPS (¢) ⁽¹⁾	(0.59)	6.86	(108.7)	(2.97)	6.84	(143.6)
Adjusted PBT ⁽²⁾	3,708	2,052	80.7	(246)	1,466	(116.8)
Adjusted PAT ⁽²⁾	102	(1,188)	(108.6)	(4,217)	(1,306)	222.9

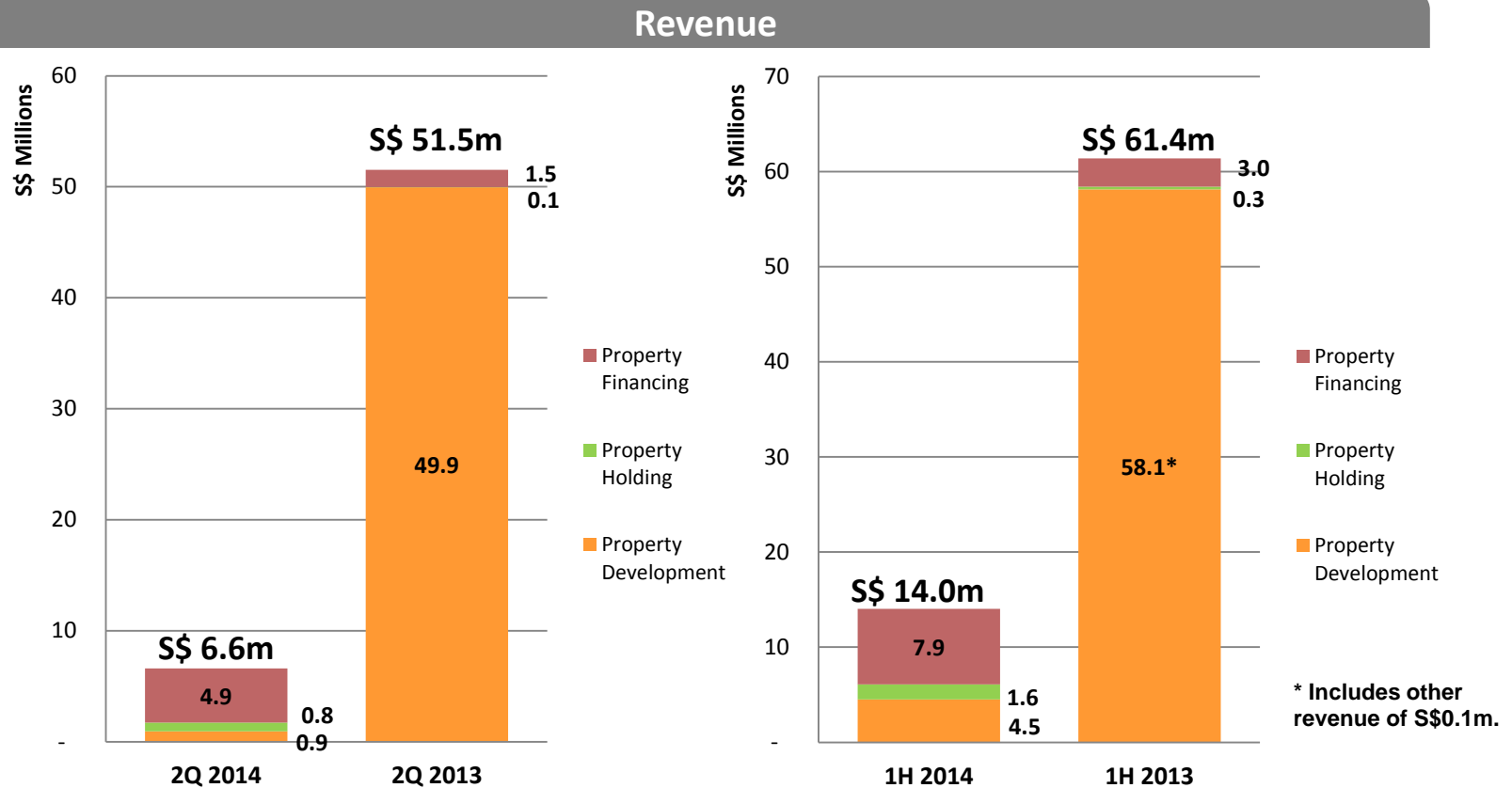
(1) The computation of the earnings per ordinary share above does not take into account those shares issued by the Company pursuant to its initial public offering on 22 July 2014.

(2) Adjusted PBT and PAT

- Adjusted PBT and PAT for 2Q 2014 exclude IPO expenses of S\$3.3m.
- Adjusted PBT and PAT for 1H 2014 exclude IPO expenses of S\$3.5m and share-based charge of S\$4.7m.
- Adjusted PBT and PAT for 2Q 2013 and 1H 2013 exclude impairment losses reversal of S\$21.0m.

Note: The accounting for the share-based charge does not have an impact on the total equity of the Group.

Statement of Profit or Loss – Revenue



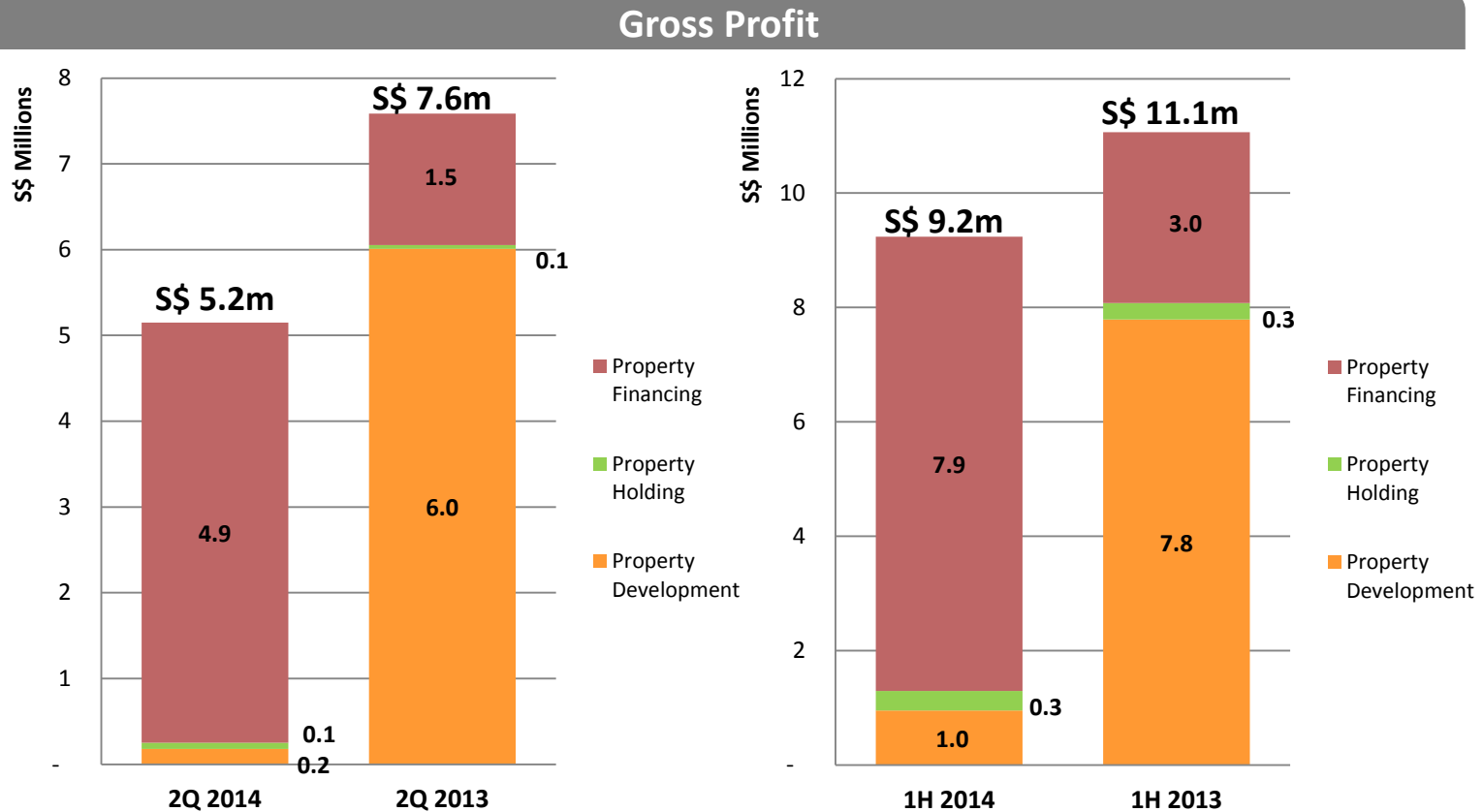
Property development

- Higher property development revenue recorded in 2Q 2013 and 1H 2013 arising from the handover of Chengdu Cityspring commercial units (2Q 2014: 4 units vs 2Q 2013: 528 units, 1H 2014: 22 units vs 1H 2013: 528 units) and car parks (2Q 2014: 11 lots vs 2Q 2013: 4 lots, 1H 2014: 51 lots vs 1H 2013: 276 lots).

Property Financing

- 2Q 2014 and 1H 2014 recorded higher property financing revenue due to a larger loan portfolio.

Statement of Profit or Loss – Gross Profit



Property development

- Higher gross profit from property development business recorded in 2Q 2013 and 1H 2013 due mainly to the handover of Chengdu Cityspring commercial units and car parks.

Property financing

- Higher gross profit from property financing business recorded in 2Q 2014 and 1H 2014 due to larger loan portfolio.

Statement of Profit or Loss – Gross Profit Margin

Gross Profit Margin

GP Margin	2014	2013	Change
2Q	78.0%	14.7%	(63.3%)
1H	65.8%	18.0%	(47.8%)

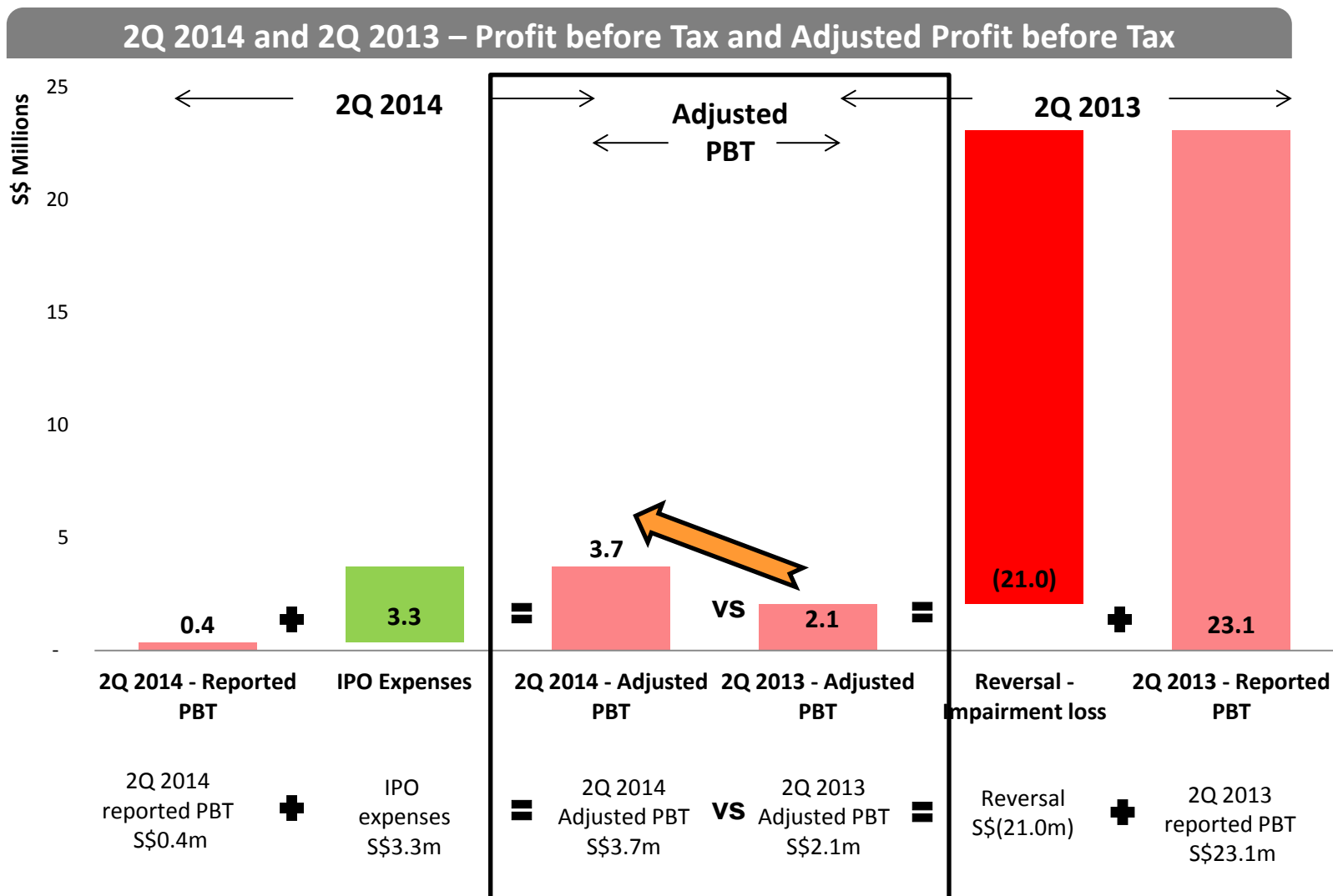
Gross Profit Margin – 2Q 2014 vs 2Q 2013

- The Group's higher gross profit margin of 78.0% for 2Q 2014, as compared to 14.7% for 2Q 2013, is mainly due to the higher gross profit contribution from the higher yielding property financing business in 2Q 2014 versus 2Q 2013. Furthermore, the 2Q 2013 gross profit margin was affected by a fair value gain of approximately S\$11.1m recognised in prior years on the commercial units delivered in 2Q 2013.

Gross Profit Margin – 1H 2014 vs 1H 2013

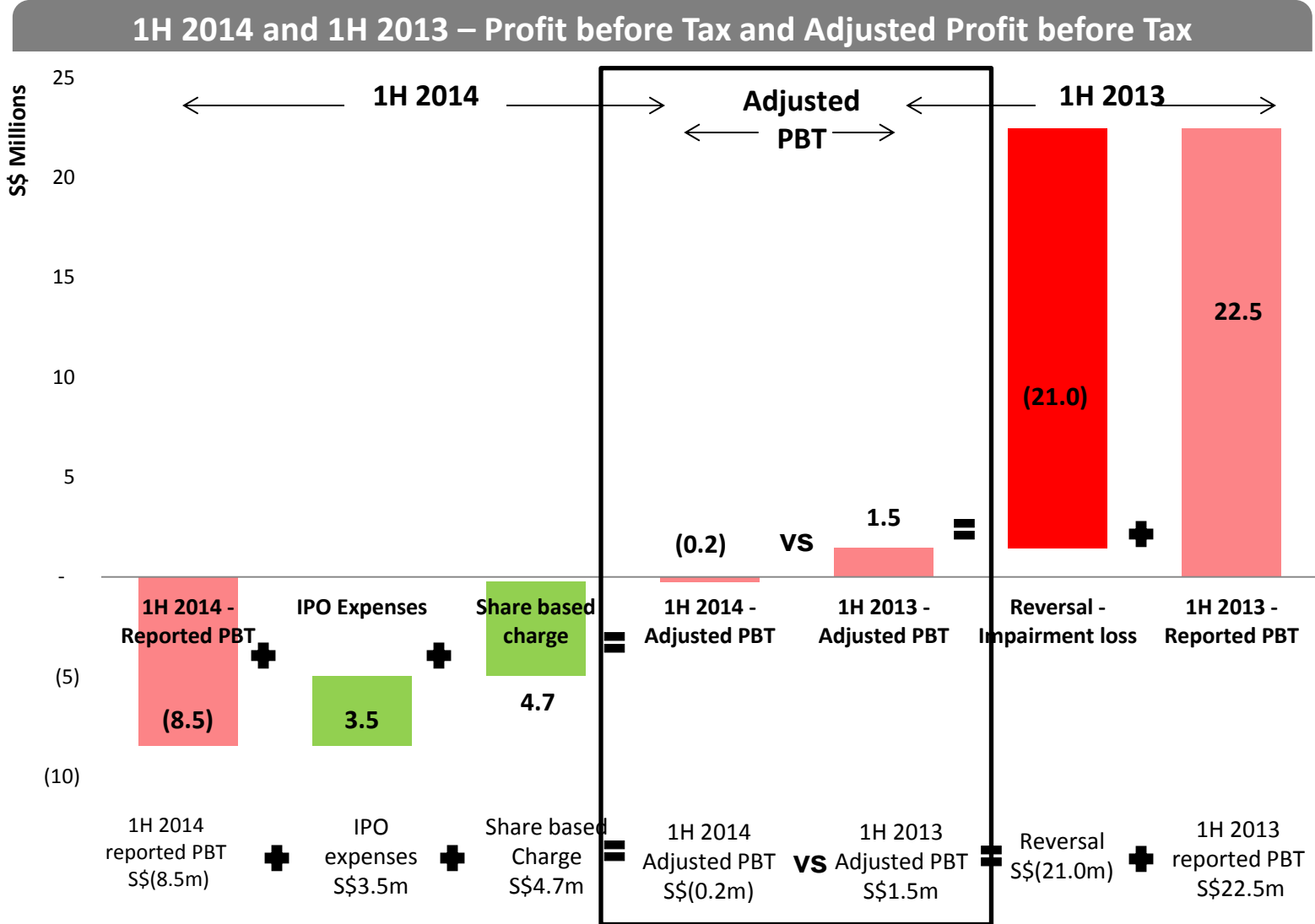
- The Group's higher gross profit margin of 65.8% for 1H 2014, as compared to 18.0% for 1H 2013 is mainly due to the increased contribution from the property financing business. The gross profit margin in 1H 2013 was also affected by a fair value gain of S\$11.1m recognised in prior years on the commercial units delivered in 1H 2013.

Statement of Profit or Loss – Profit before Tax (2Q 2014 vs 2Q 2013)



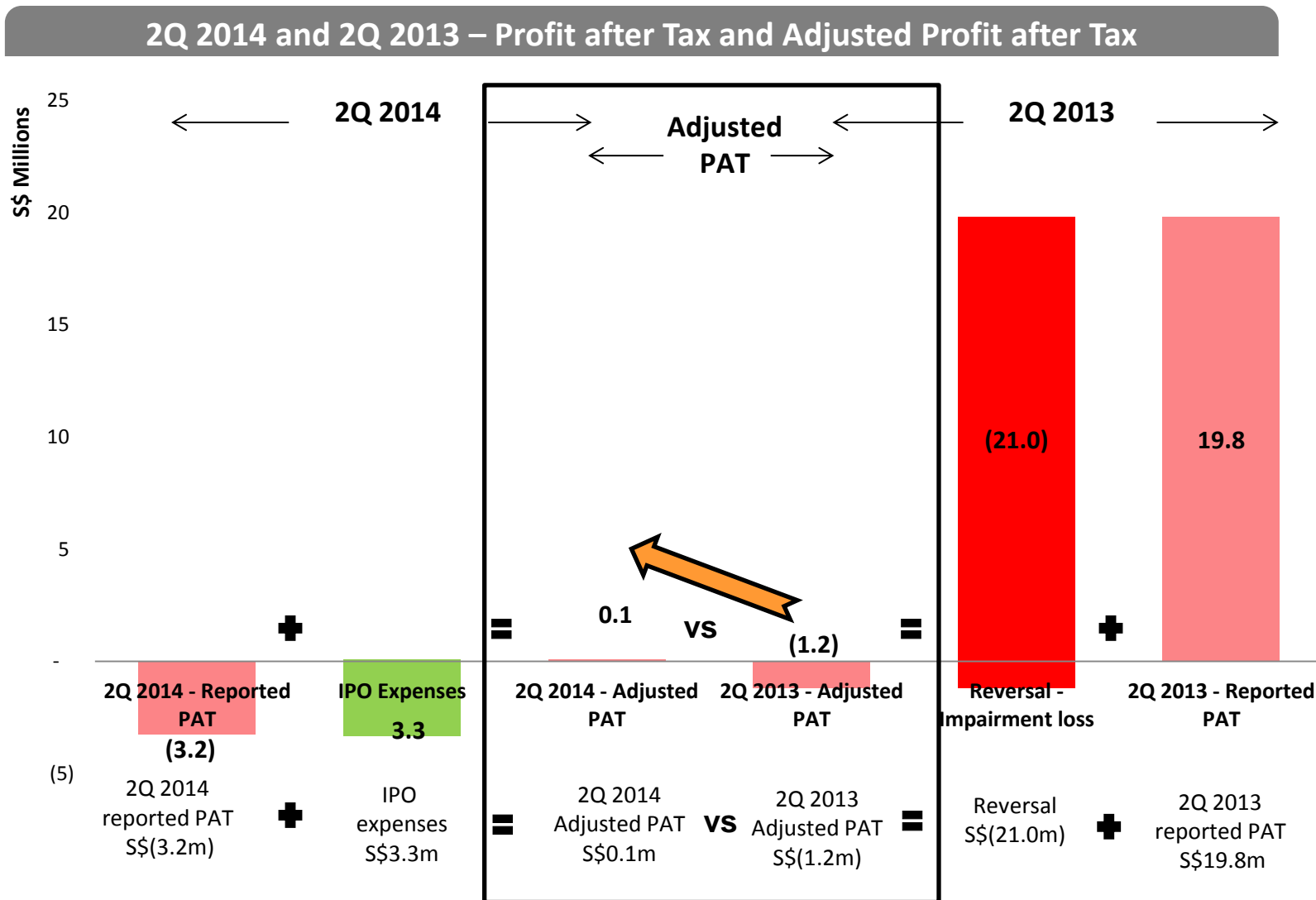
- Adjusted profit before tax increased by 80.7% from 2Q 2013 of S\$2.1m to S\$3.7m in 2Q 2014 mainly due to increase in profit contributed by the property financing business.

Statement of Profit or Loss – Profit before Tax (1H 2014 vs 1H 2013)



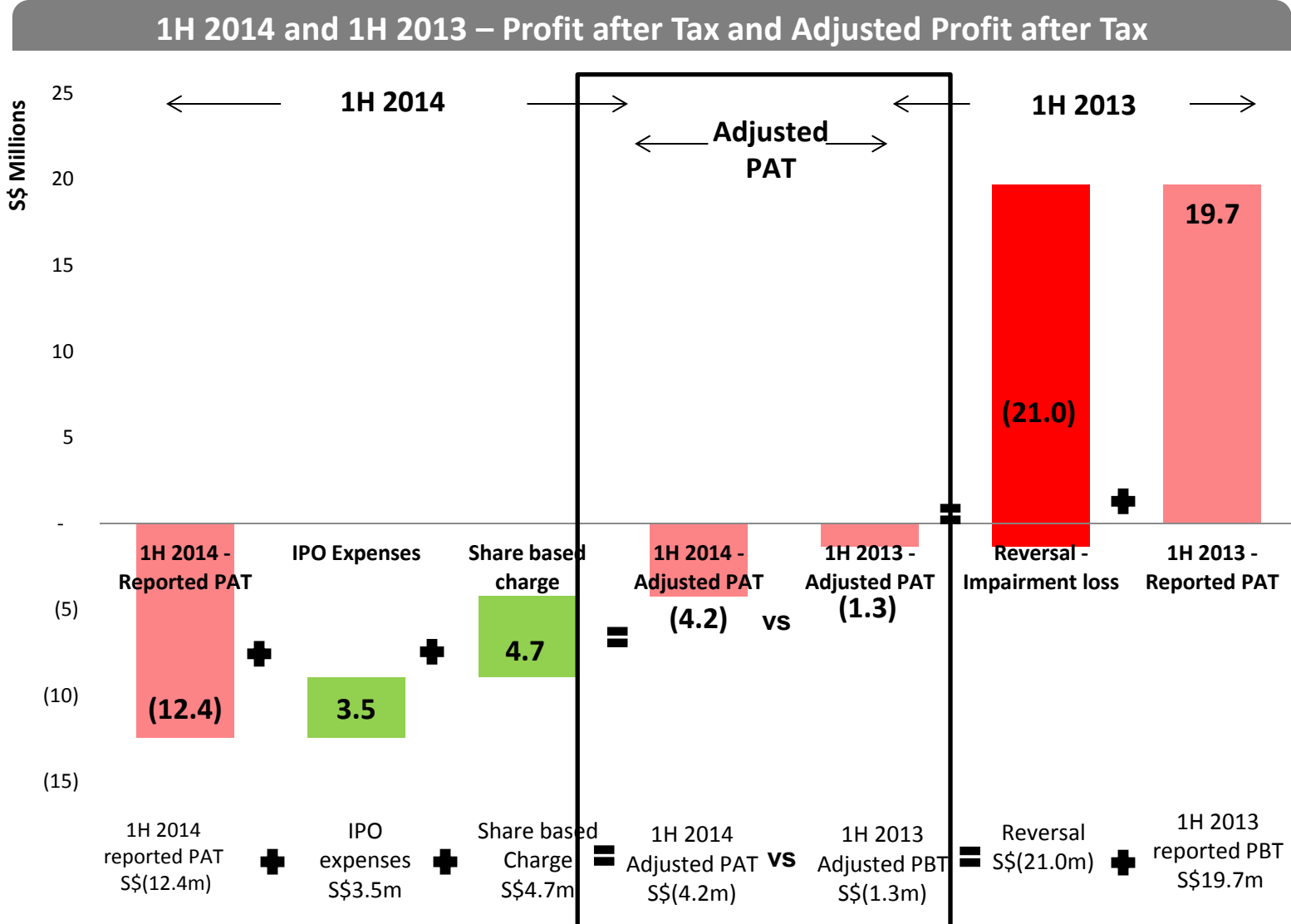
- 1H 2014 achieved an almost breakeven on an adjusted basis as compared to the adjusted PBT of S\$1.5m in 1H 2013 mainly due to no project handover in the current period.

Statement of Profit or Loss – Profit after Tax (2Q 2014 vs 2Q 2013)



- Adjusted profit after tax increased to S\$0.1m in 2Q 2014 from an adjusted loss after tax of S\$1.2m in 2Q 2013 mainly due to increase in profit contribution from the property financing business.

Statement of Profit or Loss – Profit after Tax (1H 2014 vs 1H 2013)



- The adjusted net loss in 1H 2014 of S\$4.2m included a S\$2.7m deferred tax charge on the reversal of deferred tax assets as we foresee that it is no longer probable for the related tax benefits to be realised.

Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	30 Jun 2014	31 Dec 2013	Changes %
Total cash	261,559	311,154	(15.9)
Receipts in advance	214,807	139,297	54.2
Total debt⁽¹⁾	218,018	-	N.M.
Net Asset Value (NAV)	742,485	455,880	62.9
NAV per share (¢)⁽²⁾	135.98	157.07	(13.4)
Gearing ratio⁽³⁾	Net Cash	Net Cash	N.M.

(1) Comprises gross borrowings of S\$223.2m net of unamortised upfront fee of S\$5.2m.

(2) The computation of net asset value per ordinary share above does not take into account the 43,800,000 shares issued by the Company pursuant to its initial public offering on 22 July 2014.

(3) Computed as net debt / total equity

Section 3

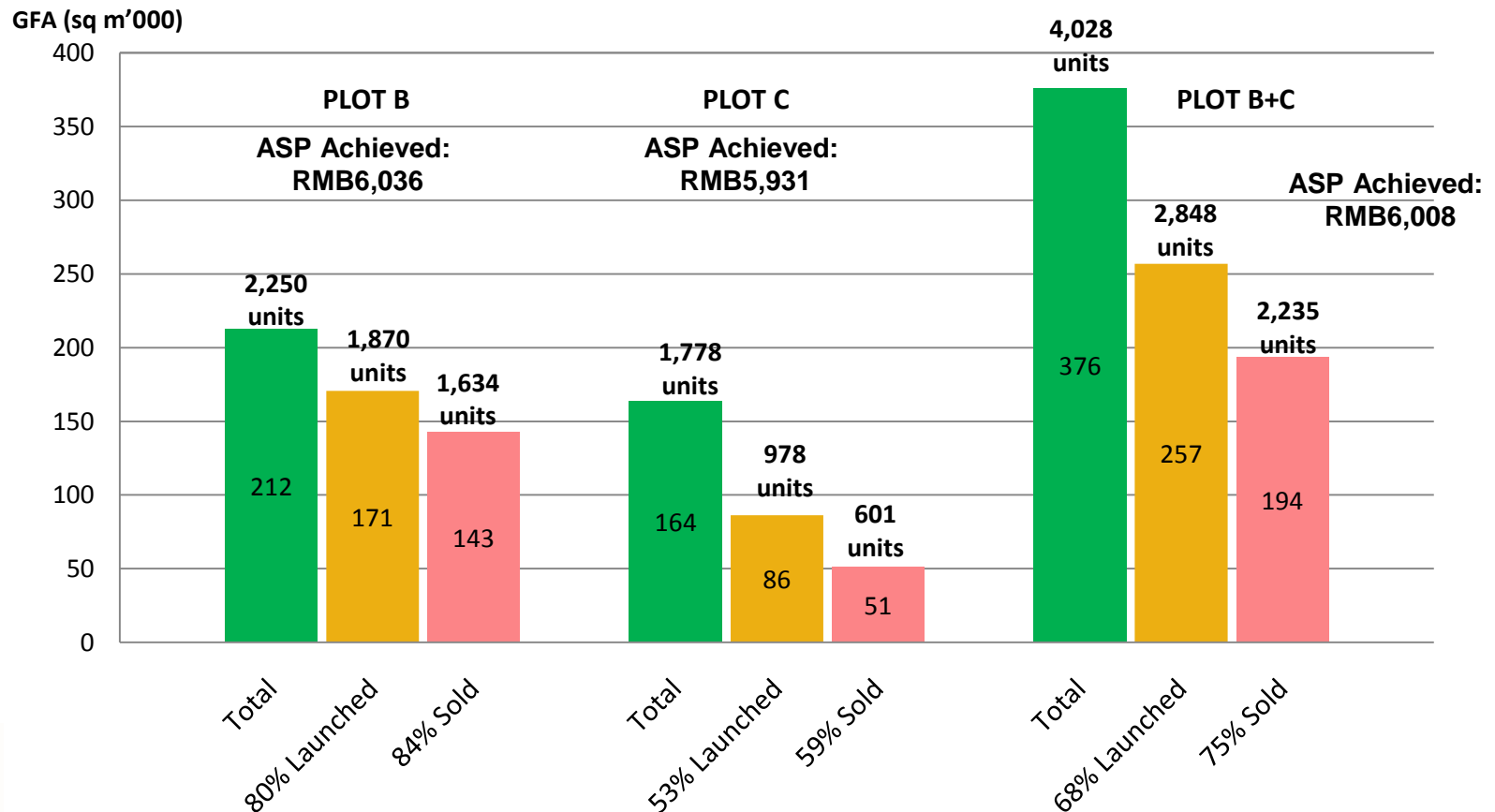
Key Business Review 1H 2014 – Property Development

Property Development – Millennium Waterfront Project

3.1 Millennium Waterfront Project – Chengdu

- Plot C's first pre-sale was launched in January 2014.
- 6 out of total 12 residential blocks in Plot C with GFA of 86,254 sq m were launched in various phases during 1H 2014.
- 12 out of total 15 residential blocks in Plot B with GFA of 170,704 sq m were launched.
- Achieved cumulative pre-sale rate of 75%.

Plot B and C Residential Pre-sale Performance as of 30 June 2014



Property Development – Wenjiang Lake and Relinquishment Agreement

3.2 Wenjiang Lake Project (MOU signed in March 2014)

- Proposed development of a primarily residential project.
- Disbursed an aggregate unsecured loan of RMB500.0m to the Chengdu Wenjiang government to fund, among others, the Resettlement Process. The loan is for a tenure of three years at an effective interest rate of 13.0% pa.
- Entered into another loan agreement with the Chengdu Wenjiang government to advance an aggregate loan amount of RMB240.0m to the Chengdu Wenjiang government to fund, among others, the Resettlement Process. This loan is for a tenure of one year at an effective interest rate of 12.8% pa. Subsequent to the relinquishment agreement mentioned in Section 3.3 becoming effective on 18 July 2014, the Group expects to disburse this loan in 2H 2014.

3.3 Wenjiang Relinquishment Agreement

- The Group entered into a relinquishment agreement with the Chengdu Wenjiang Land Reserve Centre to relinquish our interest in, among others, the Chengdu Wenjiang Factory Land and the Chengdu Wenjiang Factory for approx RMB241.1m. The relinquishment agreement has become effective on 18 July 2014 pursuant to the termination of the lease of Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory with the third-party lessee on the same date.

Property Development – Dongguan City Projects

3.4 Dongguan City Projects (MOU signed in April 2014)

- Proposed developments on two separate plots of land of 49,488 sq m (the “First Dongguan Plot”) and 120,000 sq m (the “Second Dongguan Plot”).
- In late April 2014, the Group contracted to acquire the Land Use Rights to a site area located in Wanjiang District of 37,104 sq m (the “East River Plot One”), approx 75.0% of the site area (or 86% of the total above ground GFA) of the First Dongguan Plot.
- In June 2014, the Group made full payment of the land grant premium inclusive of related acquisition taxes of S\$185.3m (RMB924.2m) in respect of East River Plot One. The deposit of RMB450.0m paid in April 2014 has been fully refunded.

Section 4

Key Business Review 1H 2014 – Property Holding

Property Holding – M Hotel Chengdu and Millennium Waterfront Chengdu

4.1 M Hotel Chengdu

- YTD occupancy of 20.6%, ADR of RMB428, Revpar of RMB88.3.
- Phase II renovation (additional hotel facilities such as a swimming pool, gymnasium, squash court and banquet multi-purpose hall) in progress and expected to be completed in 2H 2014.

4.2 Millennium Waterfront Chengdu Hotel

- Construction of basement is on-going. Hotel construction completion is expected to be in FY2017.



M Hotel Chengdu lobby



Millennium Waterfront Chengdu Hotel (artist's impression)

Section 5

Key Business Review 1H 2014 – Property Financing

Property Financing - Overview of Financial Performance

	Revenue (S\$' m) ⁽¹⁾	As a % of Group Revenue	Profit before tax (S\$' m)	As a % of Group Adjusted PBT
2Q 2014	4.9	74%	4.8	130%
2Q 2013⁽²⁾	0.9	2%	0.8	39%

	Revenue (S\$' m) ⁽¹⁾	As a % of Group Revenue	Profit before tax (S\$' m)	As a % of Group Adjusted PBT
1H 2014	7.9	56%	8.0 ⁽³⁾	N.M
1H 2013⁽²⁾	1.8	3%	1.5	102%

	Total no. of loans	Third Party Loan Book as at 31 December 2013 / 30 June 2014
31 December 2013	2	RMB 150.0m / S\$31.3m
30 June 2014	8	RMB 575.0m / S\$115.3m

To-date, we have not experienced any loan default and interest servicing on all loans has been current.

(1) Comprises interest income on entrusted loans to third parties, interest income on vendor financing arrangements and financial consultancy fee income.

(2) Excludes entrusted loans to an affiliated corporation.

(3) PBT for 1H 2014 is higher than revenue as the interest income generated from surplus funds is higher than expenses incurred for the period.

Property Financing - Overview of Financial Performance

5.1 New Loans

Disbursed 7 secured loans with an aggregate principal of RMB432.5m at interest rates ranging from 16.5% - 20.0% pa in 1H 2014.

5.2 Loan Repayment

Collected 1 secured loan of RMB7.5m in February and March 2014.

5.3 Current Loan Book

8 secured loans amounting to RMB575.0m with interest ranging from 16.5% - 18.0% pa.



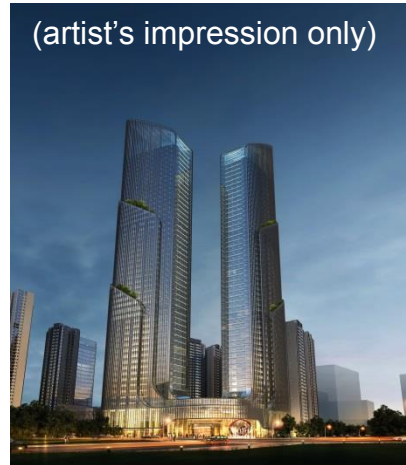
Strata office units in Beijing as loan collaterals

Section 6

Pipeline Development Property Projects

Moving Forward – Pipeline Projects

Star of East River Project



- Situated within the new city centre of Dongguan in which a number of financial institutions are located and an international business zone will be developed
- Mixed-use residential and commercial development which comprises primarily offices, a retail mall and residential units with ancillary retail units
- Land area of approximately 49,488 sq m with GFA of approximately 390,000 sq m

Dongguan Zhongtang Project

- Site area of up to 496,669 sq m along the East River (东江) and next to State Highway 107 (国道107)
- Largely residential development with certain ancillary commercial components
- Further cooperation in the potential development of a 2nd piece of land of approximately 1 million sq m located in the vicinity

SSCIP Project



- Located within the Tianfu New District, Chengdu which is the business and industrial centre of Chengdu
- Integrated development comprising residential units, SOHO units, shopping mall and potentially a hospitality element
- The proposed development will comprise an equal proportion of residential and commercial components based on above ground GFA
- The development is expected to have total above ground GFA of 142,317 sq m on a site area of 38,405 sq m

Wenjiang Lake Project

- Land site located at Yongquan Street, Wenjiang District Chengdu, Sichuan province
- Primarily residential units
- Land site of approximately 110,667 sq m

Section 7

Appendices

Appendix 1.1:

Property Development - Millennium Waterfront (千禧河畔国际社区)



- Mixed-use residential and commercial development in Chengdu
- Located in Wenjiang District, approximately 16.0 km from the Chengdu City Centre and the Tianfu New District, which is the business and industrial centre of Chengdu, and approximately 18.0 km from the Chengdu Shuangliu International Airport
- Being developed on 2 plots of land in close proximity to each other:
 - Aggregate Site Area: approximately 270,516 sq m
 - Total GFA: approximately 1,891,711 sq m (including an aggregate below ground GFA of 502,332 sq m):
 - residential GFA of approximately 677,544 sq m
 - commercial GFA of approximately 1,214,167 sq m

- The site divided into **7 plots (plots A through G)⁽¹⁾** comprising:
 - 50 residential buildings with an aggregate of 7,111 residential units;
 - the Millennium Waterfront Chengdu Hotel which is expected to have 610 hotel rooms; and
 - other commercial buildings which will provide residents with amenities such as a shopping mall, kindergarten and club-houses
- We have commenced the development of plots B, C and G

Note:

1. These labels have been conceived by the Group for the development project and are not official designations by any PRC authority.

Appendix 1.2: Property Development - Millennium Waterfront Site Plan



Notes:

1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 June 2014 and includes sales under option agreements or sale and purchase agreements, as the case may be.

Appendix 2.1

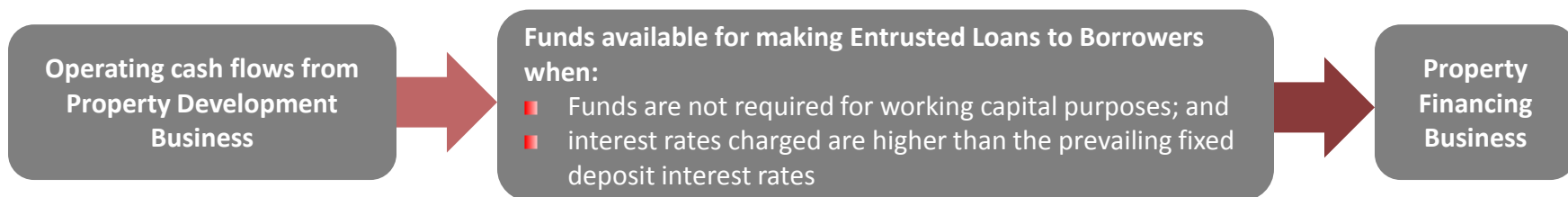
Property Holding - M Hotel Chengdu



- Hotel component of Chengdu Cityspring and occupies a 29-storey building, retained by our Group for income purposes
- Positioned as a business executive hotel which caters to business travellers in the mid-tier market, M Hotel Chengdu was inaugurated in July 2013 and had its soft opening in September 2013
- Renovations are being carried out in phases:
 - Phase I (completed)
 - GFA of 17,109 sq m;
 - levels 18 to 29 comprising 196 hotel rooms and suites;
 - all-day dining restaurant;
 - temporary gymnasium facilities; and
 - a staff hostel
 - Phase II (in progress and expected to complete in 2H 2014)
 - additional GFA of 1,575 sq m
 - addition of hotel facilities, such as a swimming pool, gymnasium, squash court and banquet multi-purpose hall
 - Levels 3 to 17 of the building
 - additional GFA of 21,875 sq m
 - earmarked for potential addition of at least another 200 hotel rooms as well as other hotel facilities
- Pursuant to an operating and management agreement entered into with the M&C Group, M Hotel Chengdu is operated and managed by the M&C Group
- For the year to date period ended 30 June 2014, M Hotel Chengdu achieved an occupancy rate of 20.6%, average daily rate of RMB428 and Revpar of RMB88.3

Appendix 3.1: Property Financing Funding and Process

Since its establishment, our Property Financing Business has been funded mainly by the cash flows from our Property Development Business



Property Financing Business Process



Appendix 3.2

Property Financing Business Key Due Diligence / Risk Management Controls

Loans extended only to select borrowers and/or guarantors

- Entrusted loans only extended to select borrowers and/or guarantors that have good credit and financial standing

Attractive property valuations

- Properties which are the subject of the collateral are valued at amounts that provide a sufficient margin vis-à-vis loan exposure

Physical due diligence

- Assessment of location of the property collateral and prospective rental yields should the collateral be in the form of leased properties
- Physical due diligence on the property collateral including verifying the title of the property and its condition, and checking its surrounding area

Independent valuations

- Obtain independent valuations of the land use rights and mortgaged properties
- Checking of recent comparable property transaction prices
- Considering prior experience in accepting property collateral in previous transactions

Focused on residential and commercial properties

- Focused on residential or commercial developments as we possess the experience and expertise to operate and/or develop such property should we have to enforce our rights and take possession of such property in the event the borrower defaults on its loan
- Will not accept a mortgage of land which is zoned for industrial use

Credit Committee approval

- Credit Committee which comprises our Group CEO, Group COO and Group CFO, has to approve each loan
- Once the accumulated principal outstanding amounts of all entrusted loans disbursed exceeds RMB100.0 million, any subsequent loans to be disbursed will have to be further approved by our Chairman or Vice-Chairman